



STAFF REPORT
Meeting Date: July 21, 2004

Agenda Item 9

TO: LAFCO Commissioners
FROM: Everett Millais, Executive Officer
SUBJECT: Revisions to LAFCO Fee Schedule

RECOMMENDATION:

Adopt the attached resolution establishing a revised LAFCO fee schedule to be effective August 1, 2004.

DISCUSSION:

The current LAFCO fee schedule has been in place for two years and has generally functioned well. Most fees consist of a non-refundable "administrative fee" and a deposit amount. Staff charges actual time and processing costs to the deposit portion of the fee. If staff time and/or actual costs for processing exceed the amount of the initial deposit, more funds are collected prior to an action being finalized. Any funds from the deposit portion of the fees that remain after an action is fully completed are refunded to the applicant.

The Commission's policies (Commissioner's Handbook Section 2.3.3.1) provide for an annual review of the fee schedule as a part of the budget process. While no adjustments were made in 2003, this year as a part of the proposed budget it was recommended that the Commission formally review the fee schedule and make revisions as necessary. A notice of hearing for this purpose was first published for the June 9 meeting, but due to staff time limitations the hearing was continued to July 21.

Attached is a copy of the current fee schedule with recommended changes highlighted in legislative format (additions underlined, deletions crossed out). Only modest changes are

COMMISSIONERS AND STAFF

COUNTY: Kathy Long Linda Parks <i>Alternate:</i> Steve Bennett	CITY: Evaristo Barajas, Chair Don Waunch <i>Alternate:</i> John Zaragoza	SPECIAL DISTRICT: Jack Curtis, Vice Chair Dick Richardson <i>Alternate:</i> Ted Grandsen	PUBLIC: Louis Cunningham <i>Alternate:</i> Kenneth M. Hess
EXECUTIVE OFFICER: Everett Millais	LAFCO ANALYST: Hollie Brunsky	OFFICE MANAGER/CLERK: Debbie Schubert	LEGAL COUNSEL: Leroy Smith

recommended to the base fee schedule. These changes are proposed to try to keep base fees reasonable, minimize time required to track deposit amounts and to still provide for charging for actual staff time.

The major change recommended is to increase the LAFCO staff composite rate (a rate that includes salaries and partial operation/administrative overhead) from \$90 per hour to \$105 per hour. During the last two years LAFCO's administrative and general overhead costs have increased, primarily as a result in increases charged by the County. The increase recommended to the LAFCO composite rate fee will assist in offsetting these cost increases.

In addition to the LAFCO staff composite rate increase, it is also recommended that the recoverable cost for County Counsel services be increase from \$110 per hour to \$139 per hour. This is the amount recently established by the Board of Supervisors for County Counsel services as a part of the County's budget process and will enable LAFCO to pass through actual costs for LAFCO case work.

Both the existing fee schedule and the proposed changes offset only a portion of LAFCO's expenses. The fee schedule relates only to applications for various types of actions filed with LAFCO. It does not apply to other types of LAFCO mandated functions such as municipal service reviews or sphere of influence updates. Currently, LAFCO fees offset only approximately 10 to 12% of net expenses overall. While there could be justification for raising fees even more, the reality is that most of LAFCO staff time is now spent on mandated work not subject to application fees and higher fees would be a greater burden for applicants processing boundary changes for only one lot (e.g. to provide for connection to a sanitary sewer).

The recommended fee changes have been reviewed by the County Auditor-Controller's staff using the same principles applied to County agencies, and to ensure that the fees charged don't exceed the aggregate costs of providing services.

Attachments

- Existing Fees Schedule with changes noted in "legislative format" (additions underlined; deletions lined through)
- Resolution adopting a new fee schedule

FEE SCHEDULE

(Effective on ~~July 1, 2002~~ August 1, 2004)

Fees and deposits are charged and accounted for as described in the Ventura LAFCO Fee and Billing Policies. Each application or petition to LAFCO must be accompanied by payment of the Administrative Fee and the Initial Deposit set forth below. All LAFCO staff time and legal counsel time spent on the proposal shall be billed to the applicant or petitioner at the hourly rates set forth below, and shall be paid from the deposit. If the hourly charges exceed the amount of the deposit, the applicant or petitioner shall pay excess within 15 days of receipt of a statement from LAFCO. Failure to pay may be cause for denial of the application/petition, and no proceeding or proposal shall be completed until all fees due have been paid in full.

TYPE OF ACTION	Administrative Fee (Non Refundable)	Deposit Required (Initial)	Total initial Payment
Proposals for Change of Organization or Reorganization that do NOT require conducting authority protest proceedings (area uninhabited and all owners and subject agencies consent to the proposal)	\$1,600	\$1,800	\$3,400
Proposals for Change of Organization or Reorganization that require conducting authority protest proceedings (area is inhabited and/or all owners and/or subject agencies do not consent to the proposal)	\$1,600	\$3,600	\$5,200
Sphere of Influence Amendments - filed separately	\$1,600	\$3,600	\$5,200
Sphere of Influence Amendments - filed in conjunction with a Change of Organization or Reorganization	\$1,600	\$900	\$2,500
Out of Agency Service Agreements – Commission Action Required	\$1,600	\$1,800	\$3,400
Out of Agency Service Agreements – Administrative	0 <u>\$450</u>	\$900	\$900 <u>\$450</u>
Special District Formation	\$1600	\$5400	\$7,000
Special District – Consolidation, Merger, Dissolution or Formation of a Subsidiary District	\$1,600	\$4,500	\$6,100
Expansion of Special District Powers	\$1,600	\$1,800	\$3,400
Extension of Time Request to Complete Proceedings	\$1,600	\$900	\$2,500
Reconsideration Request	\$1,600	\$900	\$2,500
Fee Waiver or Reduction of Fee Request	0 <u>\$600</u>	\$900	\$900 <u>\$600</u>
Commission Study Session or Workshop (<u>Per Hr, 3 hour minimum plus additional actual time</u>)	\$1,600 <u>\$315</u>	\$900	\$2,500 <u>\$315</u>
Pre-application Review and Meetings (in excess of 3 hours <u>Per Hr, 3 hour minimum plus additional actual time-due at time of scheduling</u>)	0 <u>\$315</u>	\$900	\$900 <u>\$315</u>

Ventura LAFCO Fee Schedule – Effective ~~July 1, 2002~~ August 1, 2004

TYPE OF ACTION	Administrative Fee (Non Refundable)	Deposit Required (Initial)	Total initial Payment
Reproductions and Copies	First page .50, Additional pages .50 Audio Tape Duplication \$14.00 each		

NON-LAFCO FEES

Fees & Charges Related to LAFCO Actions

FEES	APPLICANT/PETITIONER SHALL PAY:
Mapping fees	Payable to the County Surveyor's Section of the Ventura County Public Works Agency per the applicable County Surveyor's Fee Schedule
State Board of Equalization fees	For changes of organization and reorganization; payable to the State Board of Equalization in accordance with their latest fee schedule; collected by LAFCO prior to County and State filing of an action
Publication costs	Costs for publishing notices in the newspaper will be charged at actual costs
Consultant costs	Costs for any consultants hired by LAFCO (e.g. environmental consultants, fiscal review consultants, etc.) will be charged at actual costs
State Department of Fish and Game fees	Payable to the State Department of Fish and Game; collected, as necessary, by LAFCO prior to filing environmental notices of determination
Charges by County Assessor, County Clerk and Recorder or other County agencies for verifying ownership information, registered voter information, filing notices, recording documents, etc.	Actual cost
State Controller's costs	Costs by the State Controller's Office for fiscal reviews; payable to the State Controller in accordance with their latest fee schedule; collected by LAFCO prior to submittal to the State Controller.
Special legal counsel and any legal defense costs	Actual costs

LAFCO TIME BILLING RATES

LAFCO staff composite rate	\$90 \$105/hour
LAFCO legal counsel	\$110 \$139/hour

Ventura LAFCO Fee Schedule – Effective ~~July 1, 2002~~ August 1, 2004

**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION UPDATING AND REVISING
THE LAFCO FEE SCHEDULE**

WHEREAS, California Government Code Section 56383 allows for a Local Agency Formation Commission to establish a schedule of fees for the costs of proceedings; and

WHEREAS, the Commission has adopted a policy to review its fee schedule annually as a part of the budget adoption process; and

WHEREAS, as a part of the budget preparation and adoption process for Fiscal Year 2004-2005 the Commission determined that a review of its Fee Schedule should occur; and

WHEREAS, the Commission determines that fees should be based on actual processing costs plus the costs of necessary indirect and administrative functions; and

WHEREAS, the Executive Officer gave notice of this matter in the manner required by law; and

WHEREAS, the Commission complied with the requirements of Government Code Section 66016, and

WHEREAS, the Commission discussed and considered all oral and written testimony for and against this matter including, but not limited to, the Executive Officer's Staff Report and recommendation; and

WHEREAS, the Commission duly considered the matter on July 21, 2004;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Ventura Local Agency Formation Commission as follows:

- (1) The fee schedule set forth in Exhibit A attached hereto is hereby adopted, to become effective on August 1, 2004.
- (2) The fees set forth in Exhibit A attached hereto do not exceed the estimated reasonable costs of providing the services for which the fees are charged, and are necessary to pay the costs of operation of the Ventura Local Agency Formation Commission.
- (3) The Executive Officer is directed to notify all cities and special districts in Ventura County of this action by August 1, 2004.

This resolution was passed and adopted on July 21, 2004.

AYES:

NOES:

ABSTAINS:

Dated: _____

Chair, Ventura Local Agency Formation Commission



Exhibit A

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